

SCOTT WOODBURY
DEPUTY ATTORNEY GENERAL
IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0320
IDAHO BAR NO. 1895

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Street Address for Express Mail:
472 W. WASHINGTON
BOISE, IDAHO 83702-5983

Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
UNITED WATER IDAHO INC. TO AMEND AND)	CASE NO. UWI-W-07-2
REVISE CERTIFICATE OF CONVENIENCE)	
AND NECESSITY NO. 143.)	
_____)	COMMENTS OF THE
_____)	COMMISSION STAFF

COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Scott Woodbury, Deputy Attorney General, and in response to the Notice of Application, Notice of Modified Procedure and Notice of Comment/Protest Deadline issued on February 9, 2007, submits the following comments.

BACKGROUND

On January 31, 2007, United Water Idaho Inc. (United Water; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting authority to amend and revise its Certificate of Public Convenience and Necessity No. 143, as amended, to include an area in Ada County, Idaho identified as Lanewood Estates. *Idaho Code* § 61-526; IDAPA 31.01.01.112. The proposed Lanewood Estates development lies adjacent to the City of

Eagle, north of Floating Feather Road, south of Beacon Light and west of north Linder Road in Ada County. The Application of the Company includes a legal description and map of the Lanewood Estates area.

The developer of Lanewood Estates has requested that United Water extend water service facilities to the area and United Water has determined it has the capability to provide service. The proposed development is contiguous to United Water's existing service territory and the Company represents that it is capable of immediately extending service to the area by extending its existing main lines.

ANALYSIS

Lanewood Estates will consist of 381 residential lots and encompass an area containing 192 acres. Staff has prepared a map showing the location of Lanewood Estates in relation to the current service territory boundaries of United Water, Eagle Water Company, and the City of Eagle. A copy of the map is included as Attachment A.

As represented in United Water's Application, the proposed development of Lanewood Estates is not within the authorized service territory of any other water utility under the jurisdiction of the Commission. Nor, it states, will it interfere with the operations of any such utility. United Water further contends that there are no other water providers with existing facilities in the vicinity of the Lanewood Estates area capable of providing service on the timetable requested by the developer.¹ United Water submits that the extension into this area is consistent with the public convenience and necessity.

Staff believes that United Water has the present ability to serve Lanewood Estates. The Company has an existing 12-inch main that fronts Lanewood Estates along Linder Road. The water required by Lanewood Estates can be provided by United Water without additional investment in source of supply. All of the lots will be served by an alternate source for irrigation water.

Despite United Water's claim that "there are no other water providers with existing facilities in the vicinity of the Lanewood Estates area capable of providing service on the timetable requested by the developer", the City of Eagle in comments filed on March 1, 2007, states that it intends to provide water service to Lanewood Estates along with other developments in the City's expansion

¹ Staff is informed that Lanewood would like to install water mains in the June 2007 timeframe.

area west of Linder Road. The City states that it is taking steps to build the infrastructure necessary to develop a city-owned and operated water system. Staff is uncertain of the City's ability to serve the property, and of the timetable on which the City could provide service. The City states in its comments, however, that its municipal system will have a main line immediately adjacent to Lanewood Estates and that the City believes that the main line will be ready for use by Lanewood Estates by the time it completes the local government approval process.

Lanewood Estates is not currently within the city limits of the City of Eagle, although it is immediately adjacent to the existing city limits and as reflected in the City's comments, is in the City's Area of Impact. The City reports that it has developed a master plan for water, is pursuing acquisition of several wells as a source of water for its system, and is in the process of creating a public works department. Lanewood Estates is included in the City's water master plan service area. It is Staff's understanding that Lanewood Estates has made a development application to Ada County, and that no application has been made to the City of Eagle for water service or for annexation. Eagle City Code 6-5-3 A defines the City Water Service Areas as follows:

The area serviced by the City shall be only that area within the corporate limits of the City, which is so designated by the City Council, and such other contiguous and neighboring territory as the City Council shall, from time to time deem necessary to serve and identified on the Water Service Development Plan Map contained in the City of Eagle Water Service Master Plan (Ord. 517, 5-10-2005).

Staff recommends that United Water and the City of Eagle be provided a short opportunity to seek agreement on who will provide water service to the Lanewood Estates property. The City of Eagle objects to Modified Procedure and requests a hearing. United Water has requested the opportunity to file reply comments and has committed to file its reply by March 16, 2007. Staff recommends that a prehearing conference be scheduled for 2:00 PM, March 22, 2007 to establish a prefile schedule and hearing date.

RECOMMENDATION

United Water is capable of providing water service to Lanewood Estates. However, the City of Eagle has also indicated that it has both the desire and the physical capability of serving the development. Staff recommends that United Water and the City of Eagle seek agreement on who will serve the Lanewood Estates property. Failing to reach an amicable resolution of the matter,

Staff recommends that a March 22, 2007 prehearing conference be calendared to establish a pre-file schedule and hearing date.

Respectfully submitted this

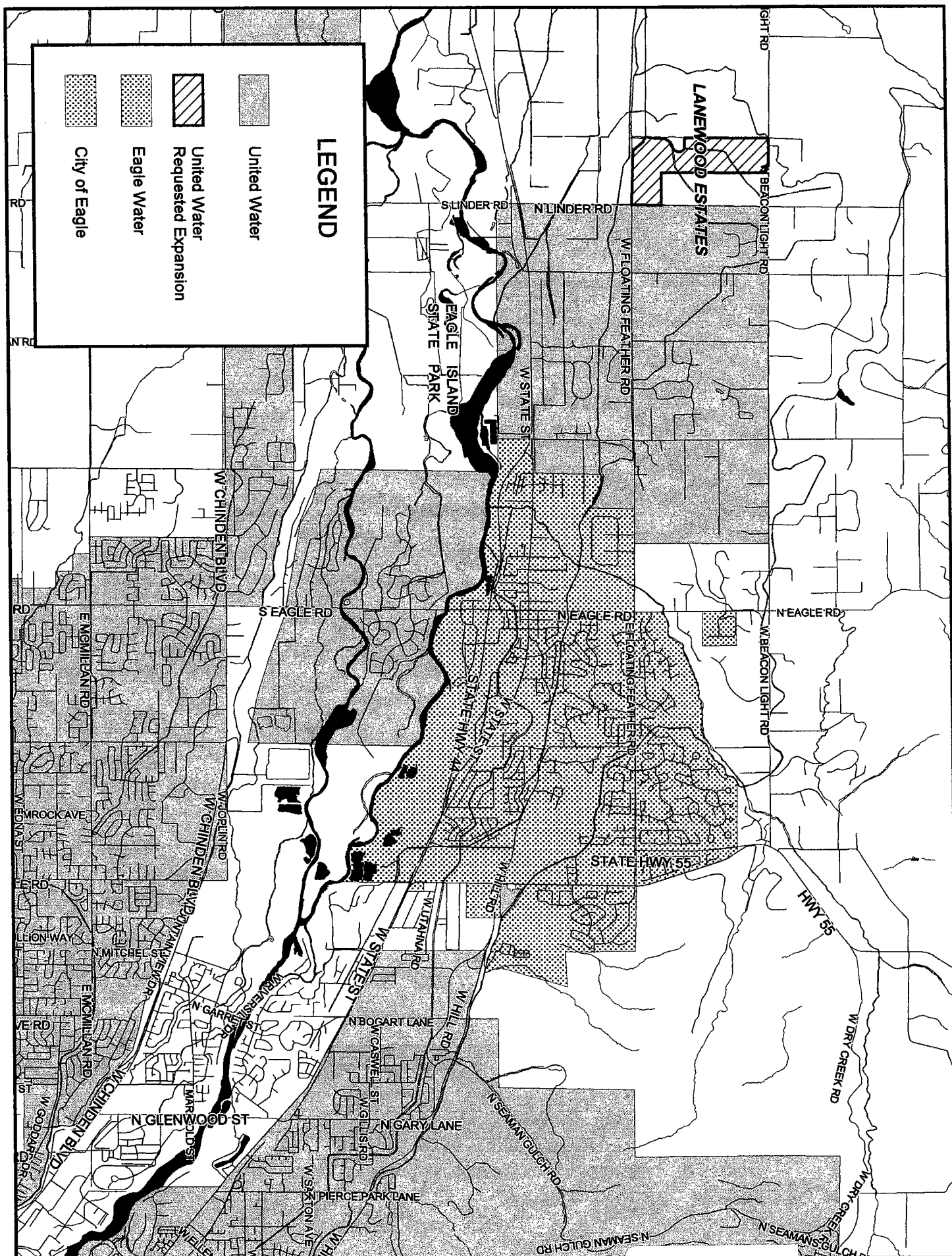
7th day of March 2007.

A handwritten signature in black ink, appearing to read "Scott Woodbury", written over a horizontal line.

Scott Woodbury
Deputy Attorney General

Technical Staff: Rick Sterling

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United Water

United Water
Requested Expansion

Eagle Water

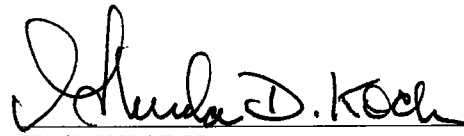
City of Eagle

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 7TH DAY OF MARCH 2007,
SERVED THE **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO.
UWI-W-07-01, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE
FOLLOWING:

GREGORY P. WYATT
UNITED WATER IDAHO INC
PO BOX 190420
BOISE ID 83719-0420

DEAN J MILLER ESQ
McDEVITT & MILLER LLP
PO BOX 2564
BOISE ID 83701



SECRETARY